Fiscal Estimate - 2005 Session

☑ Original ☐ Upda	ated Corrected	Supplemental
LRB Number 05-0510/1	Introduction Number	SB-36
Subject		
Exempt from taxation 100% of social sec	urity benefits	
Fiscal Effect		
State: No State Fiscal Effect Indeterminate Increase Existing Appropriations Decrease Existing Appropriations Create New Appropriations Local: No Local Government Costs	☐ absorb wit	Costs - May be possible to hin agency's budget /es \textstyle \textstyl
☐ Indeterminate 1. ☐ Increase Costs 3. ☐ ☐ Permissive ☐ Mandatory ☐	5.Types of Lounities Affection Increase Revenue Permissive Mandatory Decrease Revenue Permissive Mandatory School Districts	□ Village □ Cities es □ Others 0 □ WTCS
Fund Sources Affected ☐ GPR ☐ FED ☐ PRO ☐ PR		O Appropriations
Agency/Prepared By	Authorized Signature	Date
DOR/ Kirstin Nelson (608) 261-8984	Rebecca Boldt (608) 266-6785	2/9/2005

Fiscal Estimate Narratives DOR 2/10/2005

LRB Number 05-0510/1	Introduction Number	SB-36	Estimate Type	Original					
Subject									
Exempt from taxation 100% of social security benefits									

Assumptions Used in Arriving at Fiscal Estimate

Under current Wisconsin law, up to 50% of social security benefits are taxable when the recipient's income reaches \$34,000 for a single individual or \$44,000 for a married couple filing jointly. This bill would exempt all social security benefits from Wisconsin income tax.

According to a simulation using the 2003 Wisconsin Individual Income Tax Model, adjusted to reflect current law and the growth in social security benefits from 2003 to 2005, exempting currently taxable social security benefits would reduce state revenues by \$95 million.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

	Original		Updated		Corrected		Supple	emental	
LRB	RB Number 05-0510/1 Introduction Number SB-36								
Subjec	et		-						
Exemp	t from taxation	on 100% of so	cial security b	enefits					
		or Revenue Ir		 	Local Govern	ment (do	not includ	le in	
	lized fiscal (•			•			
II. Ann	II. Annualized Costs:		-	Annualized Fiscal Impact on funds from:					
					Increased Co	osts	Decre	ased Costs	
A. Stat	e Costs by	Category							
State	e Operations	- Salaries and	d Fringes	:		\$			
(FTE	Position Ch	nanges)							
State	e Operations	- Other Costs							
Loca	l Assistance	reconstruction of the second		-					
Aids	to Individual	ls or Organizat	tions						
TO	OTAL State	Costs by Cate	egory			\$		\$	
B. Stat	e Costs by	Source of Fu	nds						
GPR							,		
FED	THE STATE OF	ARM DESTRUCTION		. 3.4.		- (A)			
2 T 4 T 28 T 49 T 14 T 1	/PRS								
SEG	/SEG-S								
		s - Complete t			will increase	or decrea	ase state r	evenues	
(e.g., ta	ax increase,	decrease in	license tee, (ets.)		5			
ICDD	Taxes				Increased F			reased Rev	
	Earned					\$	\$ -	95,000,000	
FED	Larrieu								
	/PRS						· · · · · · · · · · · · · · · · · · ·		
	/SEG-S								
	TOTAL State Revenues				•	\$	\$-95,000,000		
11.	JIAL Oldio		NET ANNUA	LIZED FISC	AL IMPACT	Ψ]	Ψ-	33,000,000	
·			IVET / IVIVO/	T TOO		ate	3	Local	
NET CHANGE IN COSTS					\$	<u>=====</u> \$			
NET CHANGE IN REVENUE			\$-95,000,0		\$				
								<u> </u>	
Agency/Prepared By Au		Authorized	thorized Signature			Date			
			Rebecca Bo	ebecca Boldt (608) 266-6785 2/9			2/9/2005		